



**Santa Ana**  
Unified School District



# **2009-10 Budget and Enrollment Update**

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1. Governor's Budget Proposal
2. Enrollment Update for 2009 - 10
3. Attendance P-1 Update for 2009 – 10
4. Race To The Top (RTTT) Update



- Governor's Proposal:
  - Attempts to address two-year, Budget deficit of \$19.9 billion
  - Proposal impacts 2009-10 and 2010-11 fiscal year
  - Governor's Proposal includes:
    - \$8.5 billion in Spending Reductions
      - Health & Human Svcs (\$2.9 billion), state compensation (\$1.6 billion) and Corrections (\$1.2 billion)
    - \$1.9 billion in Funding Shifts
      - Proposition 10 [Early Care & Education] & Proposition 63 [Mental Health] (\$1.0 billion); Foster Care (\$500 million), CAL-Fire (\$200 million) & State Parks (\$200 million)
    - \$6.9 billion in requested Federal funding for "Fairness"
      - California receives \$.78 of every dollar sent to the federal government; New Mexico receives \$2.03.



- Impact to Education

- Governor has stated that Education is a “priority.” Unfortunately, there are still cuts
- No mid-year cuts to Education (to school districts at least for now)
  - However, there are planned reductions from sweeping projected, unexpended resources such as the K-3 CSR program
- Fully funds Prop 98 guarantee (but there are cuts)
  - Nearly **\$2 billion in cuts in Prop 98 guarantee for 2010-11**
    - Due to weaker tax revenues (and thus a lower guarantee amount)
    - Repeal of gasoline sales tax & replacement with an excise fee.
      - » Change sought due to court decision disallowing use of gas tax revenues to retire transportation bonds
      - » Reduces General Fund revenues by \$1.6 billion and thus reduces minimum Proposition 98 funding.



- Impact to Education (cont'd)
  - Maintenance Factor left unaddressed
    - Previously, when tax revenues were weak, the state tracked and automatically determined an amount owed to K-14 education (i.e. the Maintenance Factor)
    - Last year, this dispute was ultimately resolved legislatively.
    - For 2010-11, there is no mention of a Maintenance Factor
    - It appears, Education must again rely upon legislative negotiations to establish the amount owed and the repayment schedule.
  - Funding of negative COLA (-0.38% for 2010-11). Approximate SAUSD impact: **-\$1.2 million**



- Impact to Education (cont'd)
  - Ongoing targeted cuts of \$1.5 billion comprised of
    - \$1.2 billion aimed at “school district administrative costs”
    - \$0.3 billion in savings due to “elimination of barriers to contracting out.”
    - Governor’s Budget provides no details on how districts would achieve these savings or how the state would cut school funding related to these savings.
    - Approximate impact to SAUSD: **-\$10.4 million** (if applied on an ADA basis)
  - Continued flexibility to reduce the school year (from 180 to 175 days)
  - No new changes to categorical program flexibility
    - However, these programs would be affected by **-0.38%** COLA
    - No changes to K-3 CSR, After School Education & Safety or QEIA funding
    - Deferred Maintenance – State would continue to fund, district contributions not required
    - Routine Restricted Maintenance Account – District not required to contribute.



- Impact to Education (cont'd)
  - Proposed Personnel & Administrative Reforms
    - Substitute Cost
      - Eliminates regulations giving laid off teachers first priority for substitute assignment & requiring payment at their per diem rate.
    - Staffing Notification Process
      - Add to the statutory March 15<sup>th</sup> notice deadline for Certificated layoffs to allow a layoff within 60 days of adopted State budget.
    - Possible changes in certificated dismissal laws
      - Strengthens the power of local Boards of Education.
    - Teacher Seniority
      - Allows districts to lay off, assign, reassign, transfer, and rehire teachers without regard to seniority in the interest of retaining the best teachers and minimizing impact on struggling schools
        - » Note: Would not supersede existing local collective bargaining agreements.



- Important note: The Governor's Proposal is just a proposal. It is not final until the Legislature takes action.
- The Governor has declared a fiscal emergency and another Legislative Special Session.
- Much of the flexibility language will not be announced until February 1, 2010
- District Staff will be attending budget sessions from School Services of California and School Innovations and Advocacy this week
- We will provide additional details as they are received.





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# Enrollment Update



### Enrollment

- A decline of <500> students was factored into 2009-10 at the 1<sup>st</sup> Interim\*\* (At Adopted Budget in June, enrollment growth of +240 was anticipated)
- No financial impact due to this decline in 2009-10 as State legislation provides financial protection to declining enrollment districts (i.e. Revenue Limit for the year determined on higher of current or prior year's ADA)
- Financial impact in 2010-11.
  - (-\$3 million) already factored 1<sup>st</sup> Interim
  - Additional cuts may be required for the 2<sup>nd</sup> Interim
- Enrollment has declined (767) to date in 2009-10
  - P-1 Attendance (-731.82) est.
  - Enrollment decrease analysis and projections for 2010-11 are in process

Fiscal Year	Enrollment	CBEDS Change (from Prior Year)
2001-02	60,788	+951
2002-03	60,973	+185
2003-04	59,895	(1,078)
2004-05	58,884	(1,011)
2005-06	56,563	(2,321) *
2006-07	54,839	(1,724)
2007-08	54,369	(470)
2008-09	54,584	+215
2009-10 Budget**	54,824	+240
2009-10 CBEDS	54,084	(500)
Projected as of Dec 18, 2009	53,817	(767)
2010 - 11	TBD	(TBD)

\* Includes one-time loss of 343 SAUSD resident students to OCEAA Charter School



## Enrollment Change By Level

	2009 CBEDS (Oct. 7, 2009)	2008 CBEDS (Oct. 5, 2008)	# Change
Elementary	26,352	26,697	<b>(345)</b>
Intermediate	11,984	12,256	<b>(272)</b>
High School	15,748	15,631	<b>117</b>
<b>District Total</b>	<b>54,084</b>	<b>54,584</b>	<b>(500)</b>

	2008 CBEDS (Oct. 5, 2008)	Enrollment (Dec, 18, 2009)	# Change
Elementary	26,697	26,314	<b>(383)</b>
Intermediate	12,256	11,930	<b>(326)</b>
High School	15,631	15,573	<b>(58)</b>
<b>District Total</b>	<b>54,584</b>	<b>53,817</b>	<b>(767)</b>



- Birth rate is a contributing factor to the current enrollment trends

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Births by ZIP Code of Residence

ZIP Code	2000	2001	2002	2003	2004	2005	2006	2007	2008
92614	270	274	213	270	282	237	248	213	249
92701	1,592	1,532	1,448	1,504	1,442	1,435	1,419	1,299	1,272
92702	26	33	28	15	23	24	27	9	15
92703	1,836	1,759	1,661	1,736	1,665	1,644	1,670	1,645	1,613
92704	2,210	2,185	2,011	2,003	2,043	1,935	1,958	2,012	1,879
92706	835	866	836	873	846	787	803	812	758
92707	1,476	1,441	1,461	1,350	1,297	1,330	1,426	1,366	1,330
<b>Total</b>	<b>8,245</b>	<b>8,090</b>	<b>7,658</b>	<b>7,751</b>	<b>7,598</b>	<b>7,392</b>	<b>7,551</b>	<b>7,356</b>	<b>7,116</b>
<b>Percent Change</b>	<b>NA</b>	<b>-1.88%</b>	<b>-5.34%</b>	<b>1.21%</b>	<b>-1.97%</b>	<b>-2.71%</b>	<b>2.15%</b>	<b>-2.58%</b>	<b>-3.26%</b>

Source: California Department of Public Health

Current (2009-10)  
Kindergarten  
Class

2010-11  
Kindergarten  
Class



- District Revenue is determined by Actual Daily Attendance and not student enrollment
- A total loss of **(731.82)** ADA was reported for the 2009-10 P1 compared to the same period last year
  - Utilizing preliminary CBEDS and the 5-year ADA factor a reduction of ADA was incorporated into the 1<sup>st</sup> Interim report
- General Education Student Attendance has decreased in 2009-10 while Special Education has increased

## General Education

Grade Span	2009-10	2008-09	Variance
Kindergarten	4,028.27	4,198.81	(170.54)
Grades 1 – 3	12,662.00	13,026.96	(364.96)
Grades 4 – 6	11,521.47	11,754.32	(232.85)
Grades 7 – 8	7,454.31	7,692.33	(238.02)
Grades 9 – 12	13,733.21	13,769.54	(36.33)
Continuing Ed.	519.81	559.86	(40.05)
<b>TOTAL</b>	<b>49,919.07</b>	<b>51,001.82</b>	<b>(1,082.75)</b>



- Special Education and Alternative Education Program Enrollments are increasing in the 2009-10 P1 Attendance Report
- These increases offset some of the regular education decline

### Special Education

Program	2009-10	2008-09	Variance
Special Day Class	1,903.50	1,633.01	270.49
Special Education – Non Public	27.14	26.07	1.07
Special Education - LCI	0.59	0.00	0.59
Special Education – Extended Year	91.25	105.03	(13.78)
<b>TOTAL</b>	<b>2,022.48</b>	<b>1,764.11</b>	<b>258.37</b>

### Alternative Education

Program	2009-10	2008-09	Variance
Community Day School	303.83	209.75	94.08
Home and Hospital	16.23	13.34	2.89
Adults Enrolled, State Apportioned – FYI	5.15	4.41	0.74
<b>TOTAL</b>	<b>325.21</b>	<b>227.50</b>	<b>97.71</b>



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# **Race to the Top (RTTT)**



- Board of Education Approved submission of an Memo of Understanding (MOU) to the State of California to Participate in Race to The Top as a partner district
  - RTTT is a competitive Federal educational reform program
    - Between \$350 - \$700 million Statewide funding is available
  - 5 – 0 Approval at Special Board Meeting January 7, 2009
  - The MOU was also signed by the Santa Ana Educator’s Association (SAEA)
  - This funding will not fix the structural funding deficits caused by the loss of State funding
- State Academic Goals for RTTT are aligned to SAUSD’s areas of academic focus
- Partner districts will contribute in the design of the State’s RTTT Academic enhancement model



